Registered number: 02267055

CARROLL & PARTNERS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

CARROLL & PARTNERS LIMITED

COMPANY INFORMATION

Directors	G C Bremerman P R Carroll D J Ezzard S Goldstone N C Lenihan S S Sulaiman Garry Bright (appointed 13 May 2021) Gregory Duignan (appointed 24 March 2021)
Company secretary	S Goldstone
Registered number	02267055
Registered office	Mezzanine Floor, 75 King William Street London EC4N 7BE

CARROLL & PARTNERS LIMITED

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CARROLL & PARTNERS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The Directors present their strategic report together with the Consolidated Financial Statements for the year ended 30 June 2021.

The principal activities of the Company during the year were those of a wholesale insurance broker and accredited Lloyd's broker. The Company also provides back office accounting and market settlement services for third party insurance businesses and acts as the central provider of procurement, back office, settlement, administration and accounting services to other members of the PSC Insurance Group in the UK.

Business review

The strategic objectives of the PSC Insurance Group continue to be to generate sustainable growth in earnings and cash flow from insurance broking activities through a combination of organic growth and acquisition. The Company makes up a substantial part of the UK operations of PSC Insurance Group and continues to pursue its objectives.

The Group measures activity and performance including monthly income and expenditure against budgets and prior year, Prudent Capital margins, Contract Certainty, Treating Customers Fairly and the timely collection of insurance amounts from clients and their onward settlement to underwriters. The business is split into three principal divisions, being broking, underwriting and outsourcing and each operates in a niche area which is independent of the others. This approach mitigates the risks associated with a single business stream and provides resilience for the Group from a risk perspective. All divisions are operated with a view to profitable, compliant growth and all are achieving this objective.

The Group has prepared cash flow forecasts and operational plans, which demonstrate that the Group can meet its day-to day-working capital requirements. This does rely upon support from other UK companies within the wider International PSC Group.

Principal risks and uncertainties

Management monitors the principal risks and uncertainties facing the company, and assess the controls in place to mitigate these risks through the application of the risk register as reported and reviewed by the Management Committee, Corporate Governance Committee and the Board of Directors. This is also monitored and controlled through the Board's strategic review and planning process. The Board maintains a regular review of risk via its Board reporting, Compliance, Governance and Operational meetings to ensure risks are identified in a timely manner and mitigated wherever possible. The principal areas of risk remain those of commercial, exchange rate, credit, regulatory, and major external event, as shown below:

Commercial Risk

The Company operates in a highly competitive and dynamic market with an ever-present risk of clients changing their risk appetite, consolidating or moving to another intermediary. Market competition also brings rating/pricing uncertainty, leading to budgeting risk. Commercial risks, including risks associated with consolidation, are mitigated through the diverse nature of the Company's client base and production sources, both internal and external.

Exchange Rate Risk

A proportion of the Group's revenue is generated in foreign currencies. Management regularly reviews the need to hedge foreign currency revenue.

Credit Risk

There is a risk that third party debtors do not settle amounts due and management ensure that appropriate systems are in place to mitigate this, including the operation of the Trading Partner Review committee and the on-boarding process for clients and trading partners.

Regulatory Risk

The Company's ability to continue in operation is dependent on ongoing authorisation from its statutory regulator, the Financial Conduct Authority (FCA), in respect of its regulated trading subsidiary. Financial performance could be affected materially by regulatory penalties or restrictions on the company's operations or officers, should the Company fail to comply with relevant regulatory requirements.

Management mitigates the risk that such authorisation might be withdrawn or reduced in scope by investment in strong compliance procedures and by embedding compliance within the Company's culture. The Company's Head of Compliance oversees the Company's compliance processes and its relationship with the FCA and coordinates monthly compliance KPI reporting which is then reviewed by the Company's Executive ManagementCommittee. Annual employee training includes compliance models and staff completion of these are monitored monthly. The finance function also liaises with the Head of Compliance to ensure the Company meets its fiduciary responsibilities in respect of client money / insurer money held under risk transfer agreements.

Major External Event

The Company maintains and reviews a Business Continuity Plan in order to mitigate the risk of a major external event, which could result in the Company being unable to service clients, and the potential for exposure to breaching FCA rules, loss of key staff, potential professional indemnity issues and the ultimate demise of the business. The plan to mitigate the potential of a major external event impacting in this detrimental way, includes use of secondary office locations, immediate documentation recovery and remote working facilities and has been tested for a considerable amount of time during the COVID pandemic and subsequent working from home directives from the UK government. These arrangements have proved robust and service levels have been maintained.

This report was approved by the board on 31 March 2022 and signed on its behalf.

N. Lenihan

N C Lenihan
Director

CARROLL & PARTNERS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their report and the financial statements for the year ended 30 June 2021.

Results and dividends

The profit for the year, after taxation, amounted to £1,103,974 *(2020 - £1,039,818)*.

The Company paid an ordinary dividend of £725,000 during the year (2020: £370,000).

Directors

The Directors who served during the year were:

G C Bremerman
P R Carroll
D J Ezzard
S Goldstone
N C Lenihan
S S Sulaiman
Garry Bright (appointed 13 May 2021)
Gregory Duignan (appointed 24 March 2021)

Future developments

The Directors will continue to seek opportunities for profitable revenue growth and improvement in operating efficiency.

This report was approved by the board on 31 March 2022 and signed on its behalf.

N C Lenihan
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. Theyare also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Turnover	4	**7,537,968**	*5,783,886*
Gross profit		**7,537,968**	*5,783,886*
Administrative expenses	6	**(6,471,039)**	*(4,691,653)*
Other operating income	6	**411,340**	*226,054*
Operating profit	7	**1,478,269**	*1,318,287*
Interest receivable and similar income	10	**180**	*4,031*
Interest payable and similar expenses	11	**(2,241)**	*(4,511)*
Profit before tax		**1,476,208**	*1,317,807*
Tax on profit	12	**(372,234)**	*(277,989)*
Profit for the financial year		**1,103,974**	*1,039,818*

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 8 to 24 form part of these financial statements.

CARROLL & PARTNERS LIMITED
REGISTERED NUMBER: 02267055

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	14		**195,710**		*128,991*
Tangible assets	15		**208,769**		*280,720*
			404,479		*409,711*
Current assets					
Debtors: amounts falling due within one year	16	**12,752,342**		*8,926,562*	
Cash at bank and in hand	17	**520,639**		*675,118*	
		13,272,981		*9,601,680*	
Creditors: amounts falling due within one year	18	**(8,042,705)**		*(4,782,481)*	
Net current assets			**5,230,276**		*4,819,199*
Total assets less current liabilities			**5,634,755**		*5,228,910*
Creditors: amounts falling due after more than one year	19		**(14,045)**		*(26,817)*
			5,620,710		*5,202,093*
Provisions for liabilities					
Deferred taxation	20	**(39,643)**		-	
			(39,643)		-
Net assets			**5,581,067**		*5,202,093*
Capital and reserves					
Called up share capital	21		**500,000**		*500,000*
Profit and loss account	22		**5,081,067**		*4,702,093*
			5,581,067		*5,202,093*

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.
The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006with respect to accounting records and the preparation of financial statements.
The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2022.

N. Lenihan

N C Lenihan
Director
The notes on pages 8 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2019 (adjusted balance)	500,000	4,035,471	4,535,471
Impact of change in accounting policy	-	(3,196)	(3,196)
At 1 July 2019 (adjusted balance)	500,000	4,032,275	4,532,275
Profit for the year	-	1,039,818	1,039,818
Total comprehensive income for the year	-	1,039,818	1,039,818
Dividends: Equity capital	-	(370,000)	(370,000)
Total transactions with owners	-	(370,000)	(370,000)
At 1 July 2020	500,000	4,702,093	5,202,093
Comprehensive income for the year			
Profit for the year	-	1,103,974	1,103,974
Total comprehensive income for the year	-	1,103,974	1,103,974
Dividends: Equity capital	-	(725,000)	(725,000)
Total transactions with owners	-	(725,000)	(725,000)
At 30 June 2021	500,000	5,081,067	5,581,067

The notes on pages 8 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. General information

Carroll & Partners Limited ('the Company') is a private company limited by shares, incorporated and domiciled in England and Wales. Its registered office is Mezzanine Floor, 75 King William Street, London, EC4N 7BE. Its registered company number is 02267055.

The principal activities of the Company are those of a wholesale insurance broker and accredited Lloyd's broker.

Amounts in these financial statements have been rounded to the nearest pound sterling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

The Company meets its day-to-day working capital requirements through its cash reserves and ongoing cash generation and has no borrowings. The current economic conditions continue to create uncertainty, particularly in relation to the potential impact of the Covid-19 pandemic, as discussed further in note 3. The company's forecasts and projections, taking account of realistic possible changes in trading performance, show that the company has adequate financial resources to continue its operations for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 *Revenue recognition*

The Company derives revenue from the provision of insurance services. Revenue is recognised as or when services are transferred to the customer and is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the services.

Commission, brokerage and fees are recognised when the Company has satisfied its performance obligations, which occurs at the point in time that control of the services are transferred to the customer. The performance obligation relating to commission, brokerage and fee income relates to the provision of insurance broking services. Revenue is constrained to reflect potential lapses and cancellations based on past experiences and future expectations.

Where there is a future performance obligation to provide claims handling services, a portion of revenue relating to these services is deferred and recognised over time as the obligation is satisfied.

Income arising from the provision by the Company of back-office accounting services to third parties is recorded as other operating income since it is a secondary activity not part of the Company's primary regulated activities. Accounting services are provided under rolling service contracts under which customers receive and consume the services provided simultaneously. Income is recognised periodically while the service contract remains in place.

The Company does not expect to have any contracts with customers where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust transaction prices for the time value of money.

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. Accounting policies (continued)

2.6 Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the rate implicit in leases of similar assets entered into at a similar date and for similar maturities. Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentive.

The lease liability is included in 'Creditors' on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Statement of Financial Position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.12.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The estimated useful lives range as follows:

Customer Lists	-	5	years
Computer Software	-	4	years

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture, fixtures and fittings	-	10%- 15% of cost per annum
Office equipment	-	
Computer and office equipment	-	20%- 33% of cost per annum
Leasehold improvements	-	20% of cost per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment is raised when there is objective evidence that the Company will not be able to collect amounts originally recognised as receivable. Indicators that receivables may be impaired include significant financial difficulties or financial restructuring of the debtor and delinquency in payments (more than 9 months overdue). The impairment recognised is the difference between the asset's carrying amount and the value of estimated attributable future cash flows, discounted at an appropriate effective interest rate where cash flows are expected to extend into future periods.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.15 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Trade Debtors, Trade Creditors and Trust Cash: insurance assets and liabilities

Insurance debtors included as part of trade debtors represent commissions earned from clients that had not been received by the balance sheet date, less an allowance for specific bad debts where deemed appropriate by Company management. Insurance creditors included within trade creditors represent liabilities to insurers in respect of premiums not yet paid to the insurer, or amounts owed to clients in respect of settled insurance claims or returned premiums.

As an insurance broker, the Company acts as an agent in placing the insurable risks of its clients with insurers and consequently the Company is generally not liable as principal for amounts arising from such transactions. Amounts invoiced to clients by the Company include premiums charged by underwriters and commission earned by the company. Since the premium element of these transactions does not constitute a contractual right of the Company to receive cash or other financial benefits for its own account in future, it does not qualify for recognition as an asset of the Company except where a client-agreed premium has been pre-funded to the underwriter by the Company.

Amounts owed to underwriters for premiums due but not yet paid do not represent obligations of the Company to transfer cash or other benefits to the underwriter, and do not therefore qualify as liabilities, except where cash has been received by the Company from clients. Where cash has been received from clients, corresponding obligations to underwriters are included within trade creditors.

The Company has fiduciary and regulatory responsibilities in respect of cash received from clients to meet premium obligations and cash received on behalf of clients in respect of settled claims or returned premiums. Cash received in this way is held in separate trust bank accounts and may be used by the company only for a limited number of purposes and not for the Company's own account. It is therefore not considered as cash and equivalents of the Company but is classified as "other financial assets - trust cash" within debtors.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.18 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

2. Accounting policies (continued)

2.18 Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Company's Statement of Financial Position if there is an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying accounting policies. Management continually evaluates estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates given the subjectivity involved in making them. Management has identified the following critical accounting estimates and key judgements:

Revenue recognition
Management exercises judgement in identifying, quantifying and deferring the element of commission revenues attributable to performance obligations, such as claims handling, under insurance policies written up to the balance sheet date likely to be met after that date.

Carrying value of intangible fixed assets
Management reviews the business periodically to assess whether there are any indicators of impairment of the Company's intangible fixed assets. Management's main considerations are current and expected future profitability and cash generation of the assets. No such indicators have been identified.

Impact of Covid-19 on the financial statements
The Board of Directors has given careful consideration to the impact that Covid-19 might have on the the Company's business, the businesses of clients and insurance partners and the potential impact it might have on the Company's financial statements. The main potential impacts identified are:

- *Impact on insurance debtors and trade receivables*: while demand for insurance in some sectors has increased as a result of the pandemic, others have seen a significant decline in activity that could negatively impact the ability of some clients to meet their obligations, potentially affecting recoverability of insurance receivables.

- *Impact on claims*: management expect somewhat higher levels of claims activity than in the past, potentially increasing revenue deferrals.

Management continuously reviews the potential impact of the pandemic on its insurer suppliers and does not currently believe that the pandemic is likely to put at risk the Company's ability to find underwriters for new policies or to fulfil existing policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	2021	2020
	£	£
Insurance brokerage	7,537,968	5,783,886
	7,537,968	5,783,886

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	7,537,968	5,271,571
Rest of Europe	-	213,362
Rest of the world	-	298,953
	7,537,968	5,783,886

5. Administrative expenses

	2021	2020
	£	£
Employee costs (note 8)	5,731,442	4,785,192
Other administration costs	1,611,936	1,986,936
Costs recharged to other group companies	(872,339)	(2,080,475)
	6,471,039	4,691,653

6. Other operating income

	2021	2020
	£	£
Income from non-regulated services	425,892	202,950
Foreign exchange differences	(14,552)	23,104
	411,340	226,054

7. Operating profit

The operating profit is stated after charging:

	2021 £	*2020 £*
Depreciation of tangible fixed assets	**85,017**	*85,374*
Amortisation of intangible assets, including goodwill	**117,253**	*58,190*
Exchange differences	**14,552**	*(23,104)*
Defined contribution pension cost	**175,588**	*168,694*

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2021 £	*2020 £*
Wages and salaries	**4,939,828**	*4,204,522*
Social security costs	**616,026**	*411,976*
Cost of defined contribution scheme	**175,588**	*168,694*
	5,731,442	*4,785,192*

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	*2020 No.*
Staff	**90**	*75*

9. Directors' remuneration

	2021 £	*2020 £*
Directors' emoluments	**810,514**	*554,122*
Company contributions to defined contribution pension schemes	**24,566**	*29,941*
	835,080	*584,063*

During the year retirement benefits were accruing to no Directors *(2020 - NIL)* in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £303,427 *(2020 - £214,527)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL *(2020 - £10,833)*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

10. Interest receivable and similar income

	2021 £	*2020 £*
Other interest receivable	**180**	*4,031*
	180	*4,031*

11. Interest payable and similar expenses

	2021 £	*2020 £*
Bank interest payable	**417**	*317*
Finance leases and hire purchase contracts	**1,824**	*-*
Interest on lease liabilities	**-**	*4,194*
	2,241	*4,511*

12. Taxation

	2021 £	*2020 £*
Corporation tax		
Current tax on profits for the year	**322,456**	*156,294*
Adjustments in respect of previous periods	**38,407**	*17,223*
	360,863	*173,517*
Total current tax	**360,863**	*173,517*
Deferred tax		
Origination and reversal of timing differences	**11,371**	*104,472*
Total deferred tax	**11,371**	*104,472*
Taxation on profit on ordinary activities	**372,234**	*277,989*

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as *(2020 - the same as)* the standard rate of corporation tax in the UK of 19% *(2020 - 19%)* as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	**1,476,208**	*1,317,807*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**280,479**	*250,383*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**11,943**	*10,911*
Adjustments to tax charge in respect of prior periods	**38,407**	*17,223*
Other timing differences leading to an increase (decrease) in taxation	**41,405**	*(528)*
Total tax charge for the year	**372,234**	*277,989*

Factors that may affect future tax charges

Enter details here

13. Dividends

	2021 £	2020 £
£1.36 per Ordinary share of £1.00 (2020: £0.74)	**725,000**	*370,000*
	725,000	*370,000*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

14. Intangible assets

	Customer Lists £	Other intangible £	Computer software £	Total £
Cost				
At 1 July 2020	**119,906**	**-**	**152,032**	**271,938**
Additions	**12,439**	**165,101**	**6,432**	**183,972**
At 30 June 2021	**132,345**	**165,101**	**158,464**	**455,910**
Amortisation				
At 1 July 2020	**87,982**	**-**	**54,965**	**142,947**
Charge for the year on owned assets	**25,847**	**52,366**	**39,040**	**117,253**
At 30 June 2021	**113,829**	**52,366**	**94,005**	**260,200**
Net book value				
At 30 June 2021	**18,516**	**112,735**	**64,459**	**195,710**
At 30 June 2020	*31,924*	*-*	*97,067*	*128,991*

15. Tangible fixed assets

	Fixtures and fittings £	Right of Use assets £	Office and Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 July 2020	**137,009**	**186,270**	**527,904**	**73,677**	**924,860**
Additions	**159**	**(70,767)**	**-**	**-**	**(70,608)**
Disposals	**-**	**-**	**(1,089)**	**-**	**(1,089)**
At 30 June 2021	**137,168**	**115,503**	**526,815**	**73,677**	**853,163**
Depreciation					
At 1 July 2020	**56,100**	**126,453**	**435,807**	**25,780**	**644,140**
Charge for the year on owned assets	**8,806**	**18,540**	**46,852**	**10,820**	**85,018**
Disposals	**(127)**	**(47,809)**	**(36,828)**	**-**	**(84,764)**
At 30 June 2021	**64,779**	**97,184**	**445,831**	**36,600**	**644,394**
Net book value					
At 30 June 2021	**72,389**	**18,319**	**80,984**	**37,077**	**208,769**
At 30 June 2020	*80,909*	*59,817*	*92,097*	*47,897*	*280,720*

16. Debtors

	2021 £	*2020 £*
Trade debtors	**185,531**	*1,262,497*
Amounts owed by group undertakings	**3,516,097**	*3,618,436*
Other debtors	**3,248**	*11,986*
Prepayments and accrued income	**312,123**	*402,658*
Deferred taxation	**9,320**	*19,275*
Other financial assets - trust cash	**8,726,023**	*3,611,710*
	12,752,342	*8,926,562*

Amounts owed by group undertakings are repayable on demand and do not attract interest.

17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**520,639**	*675,118*
	520,639	*675,118*

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	**7,195,834**	*3,734,963*
Amounts owed to group undertakings	**77,087**	*280,396*
Corporation tax	**229,056**	*164,469*
Other taxation and social security	**213,662**	*191,565*
Lease liabilities	**5,011**	*33,414*
Accruals and deferred income	**322,055**	*377,674*
	8,042,705	*4,782,481*

Amounts owed to group undertakings are repayable on demand and do not attract interest.

19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Lease liabilities	**14,045**	*26,817*
	14,045	*26,817*

20. Deferred taxation

	2021 £	2020 £
At beginning of year	**19,275**	*123,747*
Charged to profit or loss	**(9,955)**	*(104,472)*
Utilised in year	**(39,643)**	-
At end of year	**(30,323)**	*19,275*

20. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	**(23,735)**	*(17,021)*
Tax losses carried forward	**-**	*35,359*
Other short term timing differences	**(6,588)**	*937*
	(30,323)	*19,275*
Comprising:		
Asset - due within one year	**9,320**	*19,275*
Liability	**(39,643)**	*-*
	(30,323)	*19,275*

All of the deferred tax balance is expected to reverse in the next financial reporting period.

21. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
500,000 *(2020 - 500,000)* Ordinary shares of £1.00 each	**500,000**	*500,000*

22. Reserves

Profit and loss account

Profit and loss account represents cumulative retained profits and losses of the business.

23. Contingent liabilities

Lucid Trustee Services Limited is the beneficiary of a charge over the assets of the Company as part of a security package to secure a credit facility of another group company. Amounts outstanding on the facility as at 30 June 2020 were £40,635,344. This facility replaced a previous facility with Clydesdale Bank PLC during the year, security for which also included a charge over the Company's assets. £2,231,929 was outstanding under the Clydesdale facility as at 30 June 2019.

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £175,588 (2020 - £168,694) . Contributions totalling £36,175 (2020 - £2,390) were payable to the fund at the reporting date and are included in creditors.

25. Related Party Transactions

The Company has taken advantage of the exemption conferred by paragraph 8 of FRS 101 not to disclose transactions with other group entities whose voting rights are 100% controlled within the same group.

The Company transacts with other members of the PSC Insurance Group Limited in the normal course of business. Transactions generally fall into the following categories:

- placement of gross insurance business as agent for clients;
- cash settlement of insurance balances on behalf of clients;
- sales/purchases of goods and services as part of the group's centralised administration, management and procurement arrangements;
- commission sharing; and
- payments of cash on account in settlement of intercompany liabilities.

26. Controlling party

The Company's immediate parent is Insurance Holdings Limited, a company incorporated in England and Wales. The ultimate controlling party is PSC Insurance Group Limited, a publicly traded company incorporated in Australia.

PSC Insurance Group Limited is the largest group undertaking for which consolidated financial statements are prepared. Its registered office where group accounts can be obtained is 96 Wellington Parade, East Melbourne, Victoria, 3002, Australia.

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	*2020* *£*
Turnover		**7,537,968**	*5,783,886*
Gross profit		**7,537,968**	*5,783,886*
Gross profit %		**100.0 %**	*100.0 %*
Other operating income		**411,340**	*226,054*
Less: overheads			
Administration expenses		**(6,471,039)**	*(4,691,653)*
Operating profit		**1,478,269**	*1,318,287*
Interest receivable		**180**	*4,031*
Interest payable		**(2,241)**	*(4,511)*
Tax on profit on ordinary activities		**(372,234)**	*(277,989)*
Profit for the year		**1,103,974**	*1,039,818*

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 £	*2020* *£*
Turnover		
Commissions receivable - Domestic	**6,772,506**	*5,241,128*
Commissions receivable - Other EU	-	*213,362*
Commissions receivable - Rest of world	-	*298,953*
Fees receivable - Domestic	**765,462**	*30,443*
	7,537,968	*5,783,886*

	2021 £	*2020* *£*
Other operating income		
Other operating income	**425,892**	*202,950*
Foreign exchange difference - gain	**(14,552)**	*23,104*
	411,340	*226,054*

CARROLL & PARTNERS LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 £	2020 £
Administration expenses		
Directors salaries	810,514	551,876
Directors private health insurance	-	6,825
Directors pension costs - defined contribution schemes	24,566	29,941
Staff salaries	4,091,348	3,614,640
Staff private health insurance	37,966	31,181
Staff national insurance	616,026	411,976
Staff pension costs - defined contribution schemes	151,022	138,753
Staff training	14,996	4,723
Staff welfare	21,343	32,946
Entertainment	7,590	57,362
Hotels, travel and subsistence	10,677	113,149
Consultancy	35,783	34,997
Printing and stationery	23,889	35,833
Postage	5,423	3,137
Telephone and fax	37,620	51,162
Computer costs	548,013	477,276
General office expenses	20,465	22,821
Advertising and promotion	11,753	53,720
Trade subscriptions	73,213	56,906
Charity donations	7,311	16,416
Legal and professional	14,980	14,822
Auditors' remuneration	43,431	42,048
Accountancy fees	9,300	30
Equipment leasing (operational)	15,680	20,460
Bank charges	39,474	29,121
Bad debts	(9,722)	(13,461)
Sundry expenses	193,680	73,226
Sundry expenses - interco	-	(60,000)
Rent - operating leases	23,077	373,608
Rates	(1,689)	119,024
Light and heat	1,618	12,967
Cleaning	1,994	14,904
Service charges	(838)	130,788
Insurances	82,726	121,742
Repairs and maintenance	413	3,647
Depreciation - office equipment	1,700	2,820
Depreciation - computer equipment	45,152	58,200
Depreciation - other fixed assets	10,820	31,101
Depreciation - fixtures and fittings	8,806	4,473
Amortisation - intangible fixed assets	117,253	46,968
Depreciation - leasehold property	18,540	-
Profit/loss on sale of tangible assets	(12,971)	-
Costs recharged to fellow subsidiaries	(681,903)	(2,080,475)

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

Administration expenses (continued)

	6,471,039	*4,691,653*

	2021	*2020*
	£	*£*
Interest receivable		
Other interest receivable	**180**	*4,031*
	180	*4,031*

	2021	*2020*
	£	*£*
Interest payable		
Bank overdraft interest payable	**417**	*317*
Hire purchase interest payable	**1,824**	*-*
Interest on lease liabilities	**-**	*4,194*
	2,241	*4,511*